

***Interest Rates on Federal Student Loans Drop Today  
First in Series of Reductions that will Ultimately Cut Rate in Half***

WASHINGTON, D.C. – Congressman Charlie Wilson (OH-6) marked the beginning of the largest college aid expansion in six decades today at Ohio University. The College Cost Reduction Act took effect today and the interest rate on federal student loans dropped from 6.8 percent to 6.0 percent. That rate will continue to drop until it reaches 3.4 percent by 2011. “All together—this new law will boost college financial aid by more than \$20 billion over the next five years. It’s the single largest investment in college financial aid since the 1944 GI Bill- and we did it with no new cost to U.S. taxpayers,” Wilson said.

The interest rate cut will benefit low and middle income students and families. In Ohio, more than 173,000 students take out need-based loans each year at 4 year public schools and the typical student borrower has \$13,800 in need-based student loan debt. Once fully phased in, this interest rate cut will save the typical student borrower an average of \$4,400 over the life of the loan.

Ohio University’s Executive Vice President and Provost Kathy Krendl, Vice President for Student Affairs Kent Smith and Director of Student Financial Aid Soni Williams all joined Wilson to help spread the good news to students today.

“Ohio University prides itself on being an institution dedicated to both excellence and access,” Krendl said. “Access goes hand-in-hand with affordability.”

“Congressman Wilson, your efforts to help pass the College Cost Reduction and Access Act will allow an Ohio University education to be more affordable to many current and future students,” Krendl added.

“As a person who has had to use loans to cover the costs of my education and as a university administrator, I would like to personally thank Congressman Wilson and the Congressional delegation for their support of all students in lowering the interest rates on student loans,” Smith said. “In difficult economic times and with the rising costs of higher education, this will go a long way in supporting student achievement.”

Ohio University student Samantha Pierce welcomed the good news. Pierce is a junior from Meigs County. She’s majoring in early childhood education and has hopes of going on to graduate school. That goal will be more attainable now that the interest rate on federal student loans has dropped and will continue to do so. Wilson praised her plans.

“I firmly believe that a college education should not be an opportunity made available only for the elite. Education is the key to your future, Ohio’s future and to this nation’s future. I’m so proud that we’ve made good on our promise to make higher education more accessible to hard-working American families like those in Ohio,” Wilson said.

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